

C.I.O. Wage Policy

by

Myles Standish Delano

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C.I.O. WAGE POLICY

by

Myles Standish Delano

(A.B., Bates College, 1943)

submitted in partial fulfillment of the
requirements for the degree of

Master of Arts

1947

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1874
The year of the
great drought

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Chapter I

INTRODUCTION--DEFINITION OF THE PROBLEM

Wage policy presents an immediate problem in definition and a continuing one in attempts at isolation. Perplexing as the first problem is it poses a minor obstacle in the face of the second. If the union is regarded as static, it is possible to define clearly an area of wage policy distinguishable from other union policy. The definition may be questionable, arbitrary, or imperfect, but it is there as stated. Once the union is viewed as a living instrument to fulfill human desires the clearness of the elucidation vanishes. The thread of union wage policy becomes woven in and often indistinguishable from all union policy. Tracing its course becomes an arduous task. Complete isolation is impossible and wage policy must be viewed in relationship to the other elements it affects. Thus arise two initial problems, deliniation of area and examination of the interrelationships between this area and other union activity.

The broad meaning of wage policy explains itself. Any policy affecting wages is wage policy. Adequate definition demands more. What policies affect wages and how do they do it? These policies may be grouped under two headings, the direct and the indirect. The direct includes:

1. Changes in the rate of pay (piece and time work)
2. Changes in the number of hours worked.

THE HISTORY OF THE UNITED STATES

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The second group often called "fringe wages or fringe issues" includes:

1. number of paid holidays
2. days of paid vacation
3. premium or bonus payments for overtime or holiday work
4. pension, hospitalization or sickness funds to which the employer contributes
5. guaranteed annual wage plans.

Now it becomes necessary to look at the relationship between wage policy and other union activity. This can be done by examining the objectives of trade-union wage policy. Again we can divide these aims into two classifications, income and non-income objectives. The income objective is higher wages. This general wage goal has been expressed with the phrase "push 'em up". Non-income wage objectives are more subtle. They include:

1. membership promotion
2. work allocation
3. control over technological innovation
4. control over working conditions
5. control over entrance to trades.

It is necessary to find a yardstick by which union wage policy can be measured. This study uses two measures. The first is what the unions say and the second is what they do. Their statements are representative of what they deem it expedient to pronounce formally while their contracts represent

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their actual accomplishments. The two may be at variance with themselves over a period of time. Union leaders are experts in the handling of words and expediency is often a stronger persuader than conviction. Within the speeches of union leaders we must also further distinguish between what may be said for union consumption and what may be said for public consumption.

Although union contracts provide a better means of studying wage policy than the printed or spoken testimony of union representatives, nevertheless speeches are a valuable guide since they indicate the reaction of the union to a variety of situations.

The organization of the study was its easiest task. The first step was a limitation of the coverage. This was done by selecting three industries rubber, steel, and automobile. Then the history of each wage policy was examined from the time of initial organization under the banner of the C. I. O. down to the end of World War II. These three industries were chosen because (a) they are three of the largest groups within the C. I. O. (b) they were among the first to be organized.

C. I. O. wage policy divided itself naturally into convenient periods for the writer. The first covered the initial organizational growth, the second the recession period of 1937-1938, the third the period between recovery in 1938 and the outbreak of the war, and the last the period of the war itself. Preceding the discussion of these periods in this study is a brief sketch of the C. I. O.'s organization and a

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The first part of the report is devoted to a general
description of the country and its people. It is
then followed by a detailed account of the
various tribes and their customs. The author
then describes the various tribes and their customs.
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short analysis of factors underlying the organizational drive.

Chapter II

THE BACKGROUND AND FOUNDATION OF THE C. I. O.

Congress prodded into action a sleeping giant with its inclusion of the now famous Section 7 (a) in the National Industrial Recovery Act of 1933. This guarantee to labor of the right to bargain collectively brought almost instantaneous reaction on the part of labor leaders who saw a chance to regain ground lost during the 1920's and to extend their activities into hitherto unconquered fields. Automobile, steel, and rubber centers represented areas where union organizers were only too pleased to be able to renew their activities. Strengthening this effort was the spontaneous self-organization of many local workers who began to seek national affiliation. A period of recovery and generally higher employment in the closing months of 1933 aided these union efforts, which were at least partially successful.¹

Of far greater importance than any degree of temporary success, however, were the problems created by these fevered organizing-drives. Particularly pressing was the one that had faced the American Federation of Labor since its inception--craft unionism versus industrial unionism; for the failure to find its solution was to lead to a schism within the ranks and ultimately to the creation of the Committee for Organization.

¹Lois MacDonald, Labor Problems and the American Scene, P. 457.

That this problem was not new is evidenced by the history of the American Federation of Labor. The very origin of the A. F. of L. was in the strong protests against the dilution of skilled workers' bargaining powers that occurred under the old Knights of Labor, the first large American industrial union.² There has been constancy and determination in the attitude of the A. F. of L. toward this problem since the day on which Delegate Gompers rose to speak on the afternoon of the ninth day of the 1901 Convention to set forth the principles of trade unionism in the Scranton Declaration.³ Traditional policy upheld the principles set forth in this Declaration for again in 1903 we find Samuel Gompers stating:

The attempt to force the trade unions into what has been termed industrial organization is perverse to the history of the labor movement, runs counter to the best conceptions of the toilers interests now, and is sure to lead to the confusion which precedes dissolution and disruption. It is time for the American Federation of Labor to solemnly call a halt. It is time for our fellow-unionists entrusted with grave responsibilities to help stem the tide of expansion madness lest either by their indifference or encouragement engulf them to their possible dismemberment and destruction. There is virtue and a great need of praise due in organizing our fellow-workers that they may defend and further their interests.⁴

²Richard A. Lester, Economics of Labor, p. 548.

³"Proceedings of the American Federation of Labor", 1901, p. 240.

⁴Samuel Gompers, Labor and the Common Welfare, p. 196.

This view has been cited time after time by union leaders. In 1936 we find Daniel Tobin, head of the Teamster's union stating, "To us was given a charger, and Gompers, McGuire, Duncan, Foster and the others said: 'Upon the rocks of trade autonomy, craft trades, you shall build the church of the labor movement and the gates of hell nor trade industrial unionism shall not prevail against it.'" 5

While this position has at various times been subject to strong minority pressure it was not until a determined outbreak in 1934 that craft trade unionism was seriously threatened. In this year, however, aggressive agitation demanded the problem be solved. This growing agitation resulted in a strong resolution on the part of the International Union of Mine, Mill and Smelter Workers in favor of industrial unionism.⁶ In response to this and preceding resolutions expressing the same ideas the following was presented.

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During recent years there have developed new methods. This has brought about a change in the nature of the work performed by millions of workers in industries which it has been most difficult or impossible to organize into craft unions.

The provision of the National Industrial Recovery Act protecting the right of employees to organize and select representatives of their own choice without interference on the part of employers, or their

⁵Edward Levinson, "The Labor Leaders", Harper's Magazine, 693:172, May, 1936.

⁶"Proceedings of the American Federation of Labor", 1934, p. 585.

agents, has had the effect of freeing the organization sentiment existing in the breasts of millions of workers who have been prevented by employer opposition from satisfying their desire for organization.

The American Federation of Labor is desirous of meeting this demand.

To meet this new condition the Executive Council is directed to issue charters for National or International Unions in the automotive, cement, aluminum, and such other mass production and miscellaneous industries as in the judgment of the Executive Council may be necessary to meet the situation.⁷

The resolutions of the 1934 Convention did not result in increased activity. Unions were still not being organized along industrial lines. Dissatisfaction burst into the open with the Minority Report of the Resolutions Committee on Organization Policies at the 1935 Convention. This report signed by Charles P. Howard, David Dubinsky, Frank B. Powers, John L. Lewis, A. A. Myrup, and J. C. Lewis stated very bluntly:

We refuse to accept existing conditions as evidence that the organization policies of the A. F. of L. have been successful. The fact that after fifty-five years of activity and effort we have enrolled under the banner of the American Federation of Labor approximately three and one-half millions of members of the thirty-nine millions of organizable workers is a condition that speaks for itself.⁸

The resolution also stated that the Executive Council had not fulfilled its obligation to organize workers and could do so only by granting unrestricted charters to industrial

⁷Ibid., pp. 586-587.

⁸"Proceedings of the American Federation of Labor," 1935, p. 523.

unions in accordance with its powers. These charters, furthermore, must dispell the fears of workers that unity of action would be destroyed through the recognition of jurisdictional claims made by National or International Unions. It was clearly pointed out, at the same time, that a more active organizing-policy was needed.⁹

The breach thus effected subsequently proved to be one that was never healed. On November 9, 1935, the Committee for Industrial Organization was formed in Washington. It was composed of eight international unions¹⁰ and had as its chairman John L. Lewis. Mr. Lewis resigned as vice-president of the American Federation of Labor two weeks later, and on January 22, 1936, the Executive Council of the American Federal condemned the C. I. O. as injurious to trade unionism. The debate which followed organizing of the steel industry ended with the creation of the Steel Workers Organizing Committee and the Affiliation of the Amalgamated Iron, Steel and Tin workers with the C. I. O. On June 30 the C. I. O. was called to answer a charge of dualisim by the Executive Council, but it did not answer the summons. Finally a suspension order was

⁹Ibid., pp. 523-524

¹⁰These original unions were: United Mine Workers; Amalgamated Clothing Workers; International Ladies Garment Workers; International Typographical Union; Oil Field, Gas Well, and Refinery Workers; United Textile Workers; United Hatters, Cap, Millinery Workers; and the International Mine, Mill and Smelter Workers.

issued by the A. F. of L. and on September 5, the labor movement was split into two independent groups. The threatened schism had become a "fait accompli", and a new era in the history of labor had begun.

Like Minerva, Roman goddess of wisdom and patroness of the arts and trades, fabled to have sprung fully armed and with a tremendous battle cry, from the head of Jupiter, the Congress of Industrial Organization loosed itself as a full-grown offspring of the American Federation of Labor, heralding its own birth with the strident clamor of oratory. That Mr. Green was surprised to have sired such a monster is a mild supposition. Moreover his surprise was shared by millions of Americans who were to see unfolded in the years ahead a drama that was to change the organization of American unionism.

This chapter has served as a brief sketch of the creation of the C. I. O. It has shown that while the leaders of this newly created organization were conditioned and developed within the folds of the A. F. of L., they had been dissatisfied with the parent organization and were dynamically and aggressively interested in extending industrial unionism to new fields. Their first major task was organization. Wage policy in the organizing period is the subject of the next chapter.

Chapter III

THE ORGANIZING PERIOD

On July 3, 1936, the following statement appeared in the New York Times, "Two new unions, the United Automobile Worker's Union and the United Rubber Worker's Union were welcomed into the industrial union block at today's meeting."¹ This statement by the Committee for Industrial Organization indicated its decision to attempt to organize the rubber and automobile industries.

Later on that same day John L. Lewis told newspaper correspondents "The Committee will support its new allies, the rubber and auto workers in their organizing campaigns. The former has 28,000 members in an industry of 108,000 and the latter has 60,000 in an industry of 350,000 employees."²

As the Steel Workers Organizing Committee, which had been established in June, 1936, was already active in organizing steel, this meant that the C. I. O. was to attack the rubber and automobile industries as well. For decades these three fields had resisted, in bitter and often bloody clashes, all attempts at organization.³

¹New York Times, July 3, 1936, 4:2.

²Loc. cit.

³Robert R. R. Brooks, As Steel Goes, p. 15.

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Unionization of these areas was accomplished only by tremendous effort. Wage policy was the most important weapon in the attack. Workers were influenced to join unions by factors other than promises of wage increase but these factors were invariably supported by a union promise to prospective members that stated in essence, "Join the union and obtain higher wages." A strong case can be argued that wage increases are absolutely essential for union organization. In commenting on this technique, a contemporary magazine, Newsweek, said of the first union contracts in steel, "One of arresting things about the present contracts is that the union can't claim much in the way of concrete benefits; practically all the agreements simply put prevailing conditions into writing. That may have something to do with the poor showings that S. W. O. C. has made on dues collections; it certainly will have a great deal to do with approaching negotiations.

"Can the union hold its membership without being able to say: 'We got you this and that?'"⁴

The C. I. O. made wage increases their principal organizing device. This was a particularly advantageous time to do so. In 1935, employment, wage, and hour statistics for the

⁴Report on Labor's Record; "A Tale of Two Industries", Newsweek, 10:36, November 15, 1937.

steel, rubber and automobile industries were:

	Average Hours ⁵ per week Full Time Employees	Average Hourly ⁶ Earnings Full Time Employees [#]	Total Employment ⁷ (Thousands)
Automobile	37.4	\$.752	445
Iron and Steel	34.2	\$.655	777
Rubber	33.1	\$.801	115

#Note: Hourly earnings are not wage rates because they include overtime and other monetary compensation.

Wage increases proved a two-headed Janus. Employers were as cognizant of the importance of wages to the workers as were union leaders. They did not hesitate to grant increases as a means of preventing unionization. The effectiveness of this policy is hard to evaluate, but in cases where this policy was unsuccessful they generally found themselves granting a second increase to the newly organized union.

Union leaders were quick to point out to employees these anti-union wage tactics.⁸ By this means they could indirectly

⁵The Management Almanac, 1946. National Industrial Conference Board, 1946. pp. 84-85.

⁶Ibid., pp. 80-81.

⁷United States Department of Commerce, Bureau of Labor Statistics.

⁸Clinton S. Golden and Harold J. Ruttenberg cite the following in The Dynamics of Industrial Democracy, pp. 20-21.

"In the hope of weakening the auto worker's union the General Motors Corporation raised wages five cents an hour in February, 1937, only to see it grow stronger. 'Little Steel' granted its employees the economic gains won by S.W.O.C. in March, 1937, but these worker's were on the picket line that summer and, though set back at the time, recovered to win union recognition four years later.....The economic concessions management granted accelerated instead of impeded union progress....."

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claim credit for the wage increase and also declaim to the employees the perfidy of management. In the organizing period the wage struggle became a duel with the union and the employer attempting to gain opposite results with the same weapon, wage policy.

The strategic importance of steel to the United Mine Workers, the guiding body behind the C. I. O., made it the logical starting point for unionization. As long as steel remained unorganized and controlled the so-called "captive" coal mines, it threatened other union mine organizations. The surest way to remove this threat was to organize steel. A debate did ensue among C. I. O. leaders as to whether the automobile industry had not replaced steel as the strongest anti-union industry and hence had become the logical point for attack but it was finally decided to attack steel first.⁹

Wage policy as an organization device was used in steel as a method of combatting company unions. The Steel Worker's Organizing Committee placed its men on the representation boards of the company unions. These men pressed for wage increases so large that the company was forced to refuse them. Then the S. W. O. C. publicized the ineffectiveness of the company unions and promised the workers real representation after unionization.¹⁰

Witness the headline that appeared in Steel Labor:
"Company Union Representatives Press Hard For Wage Increases As

⁹Brooks, op. cit., pp. 243-244.

¹⁰Ibid., 95-97.

S. W. O. C. Lends Inspiration And Authority To The Movement."¹¹

This technique was only the opening gun in the use of wage policy as an organizing device. On July 10, 1936, Philip Murray was quoted in the New York Times in answer to a company wage claim at Homestead as follows: "As a matter of fact, the steel management likes to cite that its workmen make as high as \$15 a day in Homestead. Of the 8,000 workmen, exclusive of bosses, there are just thirty-six men who have a chance to make \$15 a day and these when the mill is rolling along at a capacity production. More than 75 per cent of the workers there average only \$3.50 a day when they work."¹²

On July 14th of the same year the following report was made on the unionization drive at Bethlehem, "The C. I. O. organizers assert that wages in the Bethlehem plant are less than in the Pittsburgh district. Here basic hourly pay for laborers is 41 cents. In Pittsburgh it is 47½ cents. They say there are other variations, and stress the point that only through unionization can such matters as wage rates be settled satisfactorily for the workers."¹³ The unionization drive was fully on, featuring as its principal weapon attacks on the existing wage structure and promising (as a reward for unionization) higher wages.

¹¹Steel Labor, September 25, 1936, p. 1.

¹²New York Times, July 10, 1936, 6:2.

¹³New York Times, July 14, 1936, 13:2.

The first of these is the fact that the number of cases of the disease is increasing rapidly, and that the mortality is high.

The second is the fact that the disease is spreading rapidly, and that it is now found in many parts of the world. The third is the fact that the disease is now being found in many parts of the world. The fourth is the fact that the disease is now being found in many parts of the world. The fifth is the fact that the disease is now being found in many parts of the world. The sixth is the fact that the disease is now being found in many parts of the world. The seventh is the fact that the disease is now being found in many parts of the world. The eighth is the fact that the disease is now being found in many parts of the world. The ninth is the fact that the disease is now being found in many parts of the world. The tenth is the fact that the disease is now being found in many parts of the world.

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The reaction of C. I. O. leaders to portions of the industry which showed wage increases or promises of wage increases followed the general pattern outlined earlier in this Chapter. Philip Murray's comment on a wage offer made in July of 1936 by the United States Steel Corporation was "The statement made today by the United States Steel Corporation is merely another strategem on the part of the steel corporation and other steel companies to discourage unionization of their employees..... The so-called concession means nothing to the workers in the industry but is just another effort on the part of the steel corporations to bedevil the issue and beguile the people."¹⁴

In August, John L. Lewis made the following reply to a statement by the American Iron and Steel Institute, "A second point to be noted in the Institute's wage statement is that earnings in the steel industry have been exceptionally high in recent months. This has been due in large part, of course, to the organizing campaign that the C. I. O. has been carrying on; as always happens in such cases the steel industry seeks to counteract the effects of the campaign by temporary improvements in wages and working conditions and by stimulating production."¹⁵

The end of the organizing period in steel left part of the industry still unorganized.¹⁶ The wage policy had been

¹⁴New York Times, July 25, 1936, 18:1.

¹⁵New York Times, August 3, 1936, 16:1.

¹⁶The C.I.O. News made the following statement on April 23, 1938. "The job of unionizing steel is not complete, but about 85% of the industry has been unionized. The fight will continue until every steel mill is under contract with the S.W.O.C.".

THEORY OF THE CONSTITUTION OF THE SOLID STATE

and the other two are the same as in the case of the liquid state.

It is now necessary to consider the case of the solid state.

As in the case of the liquid state, the solid state is characterized by the presence of a definite volume and shape.

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consistent and clear. It was a promise on part of the union to obtain a higher wage as a reward for organization.

The actual increases in wages obtained by the C. I. O. are difficult to estimate, although Philip Murray gave the following evaluation, "In 1936 and 1937 the Steel Workers Organizing Committee raised average wages for hourly, piece work, and tonnage workers twenty-six per cent, or from 66.8 cents per hour in August, 1936, to 84.3 cents per hour in September, 1937 (both months being comparable in production). During this same period total monthly payrolls rose in proportion to average hourly earnings--a monthly payroll rise of a little more than fourteen and one-half million dollars, or from \$52,200,000 to \$66,800,000."¹⁷

The New Republic estimated that the C. I. O. had earned increases in wages amounting to a billion dollars a year.¹⁸

The story of the organizing period in the rubber and automobile industries showed a pattern parallel to that of steel with respect to wage policy. The union promised the workers wage increases in return for their support.

The familiar charges were hurled against the employers by the union wherever pay increases were granted at the time of attempted organization.¹⁹

¹⁷Golden and Ruttenberg, op. cit., p. 152.

¹⁸"The C.I.O. Advances" New Republic, 92:257, October 13, 1937.

¹⁹For descriptive studies of the organizing drives see The Rubber Workers by Harold S. Roberts for the rubber industry and Labor Relations In The Automobile Industry by William H. McPherson for the automobile industry.

Homer Martin, President of the United Automobile Workers of America, cited the following objectives in the membership drive that the organization was about to launch in the automotive industry, "An annual wage of not less than \$2,000, quarterly bonuses on profits, vacation with pay, thirty hour week and no reduction in pay."²⁰

That the proposed program was to meet with opposition on the part of employers was also indicated by Mr. Martin when he pointed out that, since recent negotiations for a merger of the union with independent organizations of automobile workers, one large factory had announced a two-week vacation with pay for its employees and another had granted a wage increase of 5 cents an hour. The latter concession, he went on to state, had been refused by the company as an "impossible demand" when presented by the union.²¹

Prior to 1933 unionism was of no importance in the automobile industry. From 1933 to 1936 there was considerable union activity but little recognition. The organization known as the United Automobile Workers of America was created by the A. F. of L. in August, 1935. In April, 1936, it was granted complete autonomy by the A. F. of L. At this time it had about 27,000 members.

In July, 1936, the organization joined the Committee for Industrial Organization. This affiliation marked the beginning

²⁰New York Times, June 25, 1936, 7:2.

²¹Loc. cit.

of a vigorous organization campaign. By July, 1937, the union had increased its membership to 370,000.²²

The United Rubber Workers joined the C. I. O. in July, 1936. Membership at this time was between twenty-five and thirty thousand. It had already experienced clashes with employers, who had been reluctant to grant union recognition.²³

Employers continued to oppose unionism violently. The workers resorted to the sit-down strike and feelings flared. The rubber manufacturers argued that the higher wages demanded by the unions were causing them to suffer a cost disadvantage when they competed with producers in non-union, low wage areas. They threatened to move from Akron, where the rubber industry was concentrated. The union replied that these charges were unfounded.

In spite of these obstacles, organization proceeded rapidly, and, at their second annual convention in September, 1937, the union claimed 75,000 workers. Wages also had risen sharply.²⁴ One of the "Big Four", Firestone, signed a union agreement on April 28, 1937, and on the same day the remaining three, Goodyear, Goodrich and U. S. Rubber announced the abandonment of their company unions.^{25 26}

²²William Heston McPherson, Labor Relations in the Automobile Industry, pp. 1-20.

²³Harold S. Roberts, The Rubber Workers, p. 147.

²⁴The United Rubber Worker, October 1937, p. 6 reported that average weekly wages rose from \$21 to \$28 during the period from May, 1934 to May, 1937.

²⁵Roberts, op. cit., pp. 155-161.

²⁶The Wagner Act made company unions illegal.

THE UNIVERSITY OF CHICAGO
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REPORT OF THE
COMMISSIONERS OF THE
UNIVERSITY OF CHICAGO
FOR THE YEAR 1900

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1901

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That the union had achieved a measure of success is evidenced by Charles Walker's statement that weekly earnings in all rubber products were up 10.1 per cent and that Akron's "Big Four" all paid top wages for a six hour day.²⁷

The organizing period showed a tremendous increase in C. I. O. membership in rubber, steel and automobiles, but Ford was still unorganized in the automobile industry, "Little Steel" in the steel industry, and three of the "Big Four" in rubber. Nevertheless union growth was unparalleled in the history of labor.

Average hourly earnings, employment, and average hours worked rose during this period. It is impossible to determine what portion of this rise, if any, should be credited to the C. I. O. The statistics at the end of 1937 for wages, hours and unemployment were:

	Average Hours ²⁸ per Week Full Time Employees	Average Hourly ²⁹ Earnings Full Time Employees#	Total Employment ³⁰ (Thousands)
Automobile	35.3	\$.916	517
Iron and Steel	36.3	\$.818	1,021
Rubber	33.3	\$.847	130

#Note: Hourly earnings are not wage rates because they include overtime and other monetary compensation.

²⁷Charles R. Walker, "Life Curve of a C.I.O. Union", Survey Graphic, 27:558, November 1938.

²⁸The National Industrial Conference Board, op. cit.

²⁹Ibid., pp. 80-81.

³⁰United States Department of Commerce, Bureau of Labor Statistics.

Thus during the two year period 1935-1937 average hours per week fell 2.1 hours in the automobile industry, rose 2.1 hours in the steel industry, and rose .1 of an hour in the rubber industry. Average hourly earnings increased 16.4 cents in automobile, 16.3 cents in steel and 1.7 cents in rubber. Total employment in the automobile industry rose 16 per cent, in the steel industry 31 per cent and in the rubber industry 13 per cent.

The job of unionization, however, was incomplete. As long as non-union areas remained in these three industries they influenced union policy. As Professor Slichter³¹ so admirably points out, the union may be a creator of insecurity rather than security if it raises costs in union plants above those in non-union plants. The call of unionization then becomes a death knell to the industries which embrace it. The most obvious and complete union answer to this difficulty is the total unionization of the industry.

The beginnings of a philosophy of unionism which minimized the role of wage policy appeared in this period.³² This approach to unionism emphasized the psychological and socialological as the following quotation indicates, "The C. I. O. has always emphasized that it proposed not only a correction of grievances but a change in labor's status. And it is interesting to note

³¹ Sumner H. Slichter, Union Policies and Industrial Management, Chapters XII and XIII.

³² This broadened aspect of unionism is well illustrated by Golden and Ruttenberg in Dynamics of Industrial Democracy.

1. The first part of the paper is devoted to a general discussion of the problem of the origin of life. It is shown that the problem is one of the most important and most difficult in the history of science. It is a problem which has attracted the attention of philosophers, scientists, and the general public alike. The problem is one of the most important and most difficult in the history of science. It is a problem which has attracted the attention of philosophers, scientists, and the general public alike.

2. The second part of the paper is devoted to a discussion of the various theories which have been advanced to explain the origin of life. These theories are: (a) the theory of spontaneous generation, (b) the theory of creation, (c) the theory of evolution, and (d) the theory of panspermia. Each of these theories is discussed in detail, and the evidence for and against each is presented.

3. The third part of the paper is devoted to a discussion of the various experiments which have been conducted to test the various theories. These experiments are: (a) the experiment of spontaneous generation, (b) the experiment of creation, (c) the experiment of evolution, and (d) the experiment of panspermia. Each of these experiments is discussed in detail, and the results are presented.

4. The fourth part of the paper is devoted to a discussion of the various conclusions which have been reached by the various scientists who have studied the problem of the origin of life. These conclusions are: (a) the theory of spontaneous generation is not supported by the evidence, (b) the theory of creation is not supported by the evidence, (c) the theory of evolution is supported by the evidence, and (d) the theory of panspermia is not supported by the evidence.

5. The fifth part of the paper is devoted to a discussion of the various implications of the various conclusions. These implications are: (a) the theory of evolution is the only theory which is supported by the evidence, (b) the theory of evolution is the only theory which is consistent with the laws of science, and (c) the theory of evolution is the only theory which is consistent with the facts of life.

6. The sixth part of the paper is devoted to a discussion of the various questions which remain to be answered. These questions are: (a) how did life first appear on earth, (b) how did life evolve from its first appearance, and (c) how did life spread to other planets in the universe.

7. The seventh part of the paper is devoted to a discussion of the various methods which have been used to study the problem of the origin of life. These methods are: (a) the method of observation, (b) the method of experiment, and (c) the method of reasoning.

8. The eighth part of the paper is devoted to a discussion of the various difficulties which have been encountered in the study of the problem of the origin of life. These difficulties are: (a) the difficulty of obtaining accurate data, (b) the difficulty of interpreting the data, and (c) the difficulty of developing a theory which is consistent with the data.

9. The ninth part of the paper is devoted to a discussion of the various contributions which have been made to the study of the problem of the origin of life. These contributions are: (a) the discovery of the fossil record, (b) the discovery of the laws of evolution, and (c) the discovery of the laws of genetics.

10. The tenth part of the paper is devoted to a discussion of the various future prospects of the study of the problem of the origin of life. These prospects are: (a) the discovery of the origin of life, (b) the discovery of the evolution of life, and (c) the discovery of the laws of life.

that whereas in the great wave of postwar (World War I) strikes, 76 per cent were fought over wages and hours, in 1936, 50 per cent were waged primarily for union recognition.....Through the radio, the press, and even the pulpit, it has been careful to offer not only higher wages, but a philosophy of industrial relations.³³

In an article in November, 1937, New Republic stated the following: "What the C. I. O. needs is a research organization, with regional offices and staffs to assemble and analyze regularly the relevant facts about the companies and industries with which it deals, to explore the industrial makeup of the country, the conditions of the working class, and the nature of secular influences that are molding their lives."³⁴

This article foresaw the development of union research organizations which soon became a necessity with the advent of "statistical" bargaining by both employer and union representatives. It is beyond the scope of this study to trace the development of these agencies but by January, 1943, the Bureau of Labor Statistics had record of 53 labor organizations which maintained a research department or formally assigned duties of economic research to an officer of their organization.

Mr. Bortz in writing of those organizations stated, "Union research - as this term applies to activities of Labor Organizations in their study of and factual approach to social

³³Op. cit., Survey-Graphic, p. 554.

³⁴"Problems Ahead for the C.I.O." New Republic, 93:8, November 10, 1937.

January 10 and 11, 1900. The first day was a very fine day, with a clear sky and a light breeze.

The second day was also very fine, with a clear sky and a light breeze.

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and economic problems of concern to workers - has expanded tremendously during the past decade.....The need for and usefulness of union research has been acknowledged by officers of both large and small unions, and the thoroughness of some of the studies produced by union research directors has commanded the respect of employers and government officials."³⁵

³⁵Nelson M. Bortz, "Research Work of Trade Unions", Monthly Labor Review, 56:2, February, 1943.

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term. The letter is written in a formal, dignified style, and it is one of the most important documents in American history.

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Chapter IV

THE 1937-1938 RECESSION PERIOD

In August of 1937 the physical volume of industrial production as measured by the Federal Reserve Board Index, stood at 120; by November it had fallen to 95 and from November until May, 1938 it fell steadily, reaching a low in the latter month of 80. Then it reversed itself and reached 100 again in November of 1938.¹ This period, covering approximately from November, 1937, to the end of 1938, was a business recession. It presented a strong challenge to the newly created unions, nearly as great, in fact, as employer opposition.

This time of declining production had many of the typical characteristics of a business depression. Unemployment increased as production was restricted in the face of a falling price level. Business men were attempting to reduce costs in order to sell at lower prices. Great pressure was being exerted upon wages to force them downward to readjust the cost-price .

¹These figures are taken from the Federal Reserve Bulletin September, 1940, p. 979. The complete data for these months are:

FEDERAL RESERVE BOARD INDEX

Physical Volume of Industrial Production

(1923-25 = 100)

<u>1937</u>	August 120	<u>1938</u>	April 82
	September 115		May 80
	October 107		June 81
	November 95		July 86
	December 87		August 90
<u>1938</u>	January 86		September 92
	February 84		October 95
	March 84		November 100
			December 101

relationship. Business men and other critics were quick to point out "artificially high wages" as a causal factor for the depression and demand wage cuts as a solution.²

The C. I. O. had shown mushroom growth in the years of relative prosperity but this sudden down-swing of the business cycle created a different background. Wage policy underwent radical change in this period. The problem became not one of obtaining new members but one of retaining old. Historically, periods of depression have been highly detrimental to unionism. If the C. I. O. was to complete its organization program, it had to prove its ability to survive the recession period.

The National Association of Manufacturers announced on December 9, 1937, a "Platform for American Industry for 1938". In this platform was included the following: "The group that has already admitted in speeches that a depression of uncertain gravity is now in presence and that lay-offs are proceeding, voted without dissent that progress could be resumed only if industry was unshackled by government and labor."³

James H. Perkins, chairman of the board of directors of the National City Bank of New York, stated: "When we mention labor costs we recognize that the purpose of organized society is to provide a higher and more satisfying standard of life

²See Gottfried Haberler, Prosperity and Depression, Chapter 10 and 11 for a general description of a business recession.

³New York Times, December 9, 1937, 1:9.

for all people. Prosperous labor means a prosperous people.... but the moment an increase in labor cost raises the price of goods beyond the capacity of consumers to buy, trade and unemployment necessarily decline and labor instead of gaining has lost."⁴

Paul H. Nystrom, president of Limited Variety Stores, in declaring that artificial price and wage controls were primarily responsible for the current depression, went on to say, "The continued establishment of minimum wage rates by law or by union regulation at substantially higher levels than now exist are certain to throw additional thousands of workers, now at or close to the margin of practical employment out of work and so increase the burdens of unemployed."⁵

These were only a few of the opening guns fired in an attempt to gain wage reductions. The C. I. O. was soon faced with efforts on all fronts to reduce wages. Its response was immediate and energetic. President Roosevelt keynoted the drive when he "clearly and unequivocally" went on record in opposition to wage-cutting as a way to reduce prices. The President asserted that to cast the burden of a temporary business recession upon the workers "is not only moral bankruptcy but the bankruptcy of sound business judgment."⁶

⁴New York Times, January 12, 1938, 29:6.

⁵New York Times, February 2, 1938, 26:3.

⁶New York Times, January 26, 1938, 1:8.

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On the same day John L. Lewis addressed the Convention of United Mine Workers, stating that organized labor would fight price reductions aimed to stimulate recovery if they were based upon wage cuts. Mr. Lewis asserted wage reductions would precipitate "a complete and most devastating economic, social and political debacle."⁷

The C. I. O.'s plan for fighting the depression was outlined by Mr. Lewis in the C. I. O. News as follows: "For Labor let me say this: as I understand what is in the hearts and the minds of members of organized labor in this country and in the hearts and minds of every member of our great union, labor will fight and resist wage reductions to the bitter end.

In coal, in steel, in automobiles, and glass, and in lumber, and in other basic industries labor will oppose wage reductions as a solution for the conditions that now beset the country, because labor has bought its knowledge and experience, and its conviction on that subject through long years of trial and sacrifice."⁸

In the rubber industry by December, 1937, economic forces were in sharp reverse. Throughout the country employers and workers faced not an expanding market for rubber products, but a contracting one. In Akron labor trouble boiled again.

Early in the Spring of 1938 the General Executive Board of the U. R. W. A. published a protest against proposals to

⁷New York Times, January 26, 1938, 1:7.

⁸The C. I. O. News, February 19, 1938.

The following is a list of the names of the persons who have been admitted to the membership of the Society since the last meeting. The names are given in alphabetical order of their surnames.

Mr. J. H. Smith, of the City of New York, has been admitted to the membership of the Society. He is a member of the New York Bar and has been practicing law in New York City for many years. He is also a member of the New York State Bar Association and the New York City Bar Association.

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lengthen hours and reduce wages. "Such a movement," the Board affirmed, "would delay the re-employment of those now jobless, would result in even greater unemployment than is now prevalent, and would present a severe threat to the wage structure of the nation."⁹

Newsweek, commenting on this situation, said, "Underlying the Akron controversy are opposed and powerful forces; on the one hand, the pressure for lower wages, costs, and prices to meet depression conditions; on the other hand organized labor's insistence that a cut anywhere might be a prelude to a collapse of wages everywhere."¹⁰

On March 26, the following headline appeared in the C.I.O. News, "Rubber Union Checks Slash In Wage Rates". The article protested a 17½ per cent wage cut proposed by Goodrich. A large demonstration was staged, and the article claimed that Goodrich's threat of moving 5,000 jobs out of Akron if the wage cut was resisted was coercion and a violation of the National Labor Relations Act.¹¹

The steel industry was also resisting all attempts of wage cuts. On February 21, 1938, Philip Murray spoke to C. I. O. unionists in Cleveland. He said that the C. I. O. had "definitely stemmed the tide of wage degradation" and concluded

⁹Walker, op. cit., p. 558.

¹⁰Newsweek, 11:35-36, April 4, 1938.

¹¹The C.I.O. News, March 26, 1938.

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that eleven weeks ago steel leaders had reason to believe that they would get a wage reduction but that this had been circumvented by the action of the union.¹²

On May 14, Mr. Murray repeated the familiar theme while addressing delegates to the Amalgamated Clothing Workers convention at Atlantic City. The tenor of his speech can be determined by this quotation, "The C. I. O. has saved the wage structure of the country; it has saved the purchasing power of the people."¹³

With regard to specific wage agreements and actual contract signing, the following excerpt from an article in the C. I. O. News is indicative of general union procedure, "The note throughout was one of steady advance, both in renewing old wage rates of contracts won in more prosperous times and in signing up companies that had never dealt with unions before..... Philip Murray, chairman of the S. W. O. C. reported 525,000 members under contract with more than 500 firms. Each of the contracts made last, Murray said, had been renewed without wage cuts -- many of them with wage raises."¹⁴

The following charge was hurled against Chrysler, "Chrysler is using the recession as a club to fight all contract modifications asked by the U. A. M. negotiators."¹⁵

¹²New York Times, February 21, 1938, 11:3.

¹³The C.I.O. News, May 14, 1938.

¹⁴The C.I.O. News, April 16, 1938.

¹⁵The C.I.O. News, April 2, 1938.

Wage cuts in the automobile industry were vigorously opposed, and, at the Michigan Convention of C. I. O. Unions, delegates voiced opposition to wage cuts in any form. They also voted to establish a city-wide strike committee and minute-man picket squads for use against wage slashing employers.¹⁶

The over-all picture of union resistance to wage reductions continued as the depression hit its bottom in May. Sidney Hillman, President of the Amalgamated Clothing Workers of America, was quoted as follows in the New York Times, "Take the Committee for Industrial Organization out of the picture and labor and the country will quickly face the catastrophe of the early thirties without the reserves which the nation had at that time." He then went on to claim that the C. I. O. had allayed the slump by maintaining wages.¹⁷

On May 13, John L. Lewis, addressing the Clothing Workers, summed up the C. I. O. depression-policy as follows, "During the depression the C. I. O. is not spending vast sums of money in a futile attempt to organize among those who have no jobs. The committee is now perfecting its organization to be of service to the idle and is preserving the integrity of its unions. But just the day the economic tide turns, as turn it will, the Committee will spring into action and we will see an

¹⁶The C. I. O. News, April 16, 1938

¹⁷New York Times, May 10, 1938, 7:1.

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organizing campaign in the ranks of labor that has never before been duplicated."¹⁸

Turning to wage policies, he indicated that labor would not only oppose wage reductions, but would ask for higher wages and an increased participation in the greater productivity of industry.

This is interesting as both an admission and a promise on the part of Mr. Lewis. Made at the depth of the depression, it clearly showed that organization had largely ceased and the union was devoting its energy primarily to preserving its present position.

It also indicated, however, that plans to continue its organizing program were even then a vital part of union policy, and it forecast a new war of organization in the recovery period.

Evidence of labor's willingness to attempt only to maintain its present level of wages was emphasized by Mr. Lewis in his statement in the New York Times that he stood with President Roosevelt in opposition to wage cuts.¹⁹ This also indicated that labor was continuing to receive the support of the government in its attempts to avoid wage reduction.

The economic argument used by the trade unions was a purchasing power theory of wages. The purchasing-power theory

¹⁸ New York Times, May 13, 1938, 5:1.

¹⁹ New York Times, July 2, 1938, 2:2.

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is advocated as a method of bolstering consumer spending power by maintaining or increasing the wage level. The theory assumes that this purchasing power in the hands of the consumer will halt the downward movement of prices and thus prevent a period of liquidation. If more people have more money to spend, this will mean greater sales which will lead to greater business activity and hence recovery.

Two important facts must be taken into account, however, if the results of the application of the theory are to be properly determined. These are the effects of wages upon employment and upon the price level. If any rigidity or increase in the wage structure leads to an increase in unemployment or a rise in prices, these factors will negate the effect desired. If the price rise is sharp or the increase in unemployment great, there may be, in fact, an accentuation of the depression and a cumulative down-swing of the cycle.

The arguments put forth by the C. I. O. ignored these considerations. Although faced with increasing unemployment as the depression progressed, the union in no way indicated that the rigidity of the wage structure could have been one of the contributing factors.

There were no statements made in the material covered by the writer in which a union leader indicated any awareness that rigid wage level might increase rather than decrease unemployment. Emily Clark Brown drew the same conclusion in her study of collective bargaining in the mass production

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industries. She states, "Financially there are the gains in wages. Increases in rates and the ironing out of inequalities between jobs were very numerous, while wage cuts were prevented in the depression. Any doubts whether some of these gains in wage rates might have been counterbalanced by lessened employment or higher prices were seldom met among the unionists."²⁰

The government also felt that if the employers were forced to seek price reductions they should not be made at the expense of labor's wage. The fact that employers and critics were kind enough to point out the probable fallacy in the purchasing-power theory in no way deterred either labor or government from their stand.

At the end of 1938 wage, hour, and employment statistics were:

	Average Hours ²¹ per week Full Time Employees	Average Hourly ²² Earnings Full Time Employees#	Total Employment ²³ (Thousands)
Automobile	32.3	\$.953	305
Iron and Steel	27.6	\$.830	762
Rubber	30.3	\$.841	101

#Note: Hourly earnings are not wage rates because they include overtime and other monetary compensation.

In the year 1937-1938 average hours per week fell 3.0 in automobile, 6.0 in steel, and 3.0 in rubber. Average hourly

²⁰Emily Clark Brown, "The New Collective Bargaining In Mass Production: Methods, Results, Problems", The Journal of Political Economy, February, 1939, pp. 61-62.

²¹The Management Almanac, 1946, National Industrial Conference Board, 1946. pp. 84-85.

²²Ibid., pp. 80-81.

²³United States Department of Commerce, Bureau of Labor Statistics.

The first part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom. It is shown that the structure of the atom is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The second part of the paper is devoted to a discussion of the structure of the nucleus. It is shown that the structure of the nucleus is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The third part of the paper is devoted to a discussion of the structure of the molecule. It is shown that the structure of the molecule is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity.

The fourth part of the paper is devoted to a discussion of the structure of the crystal. It is shown that the structure of the crystal is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The fifth part of the paper is devoted to a discussion of the structure of the liquid. It is shown that the structure of the liquid is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The sixth part of the paper is devoted to a discussion of the structure of the gas. It is shown that the structure of the gas is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The seventh part of the paper is devoted to a discussion of the structure of the plasma. It is shown that the structure of the plasma is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The eighth part of the paper is devoted to a discussion of the structure of the solid. It is shown that the structure of the solid is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The ninth part of the paper is devoted to a discussion of the structure of the liquid crystal. It is shown that the structure of the liquid crystal is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity. The tenth part of the paper is devoted to a discussion of the structure of the polymer. It is shown that the structure of the polymer is determined by the laws of quantum mechanics, and that the laws of quantum mechanics are determined by the laws of the special theory of relativity.

earnings increased 3.7 cents for automobile, increased 1.2 cents for steel and fell .6 cents for rubber. Total employment fell 41 per cent in automobile, 25 per cent in steel, and 22 per cent in rubber.

Labor was able to maintain its hourly wage effectively but suffered a considerable loss in unemployment and a decline in hours worked. The C. I. O. did "weather" the recession and this was a notable achievement in view of the previous experiences of large unions with periods of depression. The union goal of maintaining wage rates at their 1937 levels had been largely realized. The cost had not been adequately considered in the light of unemployment but this was apparently a purposeful oversight. The union cry, "resist all wage cuts", had become an accomplished fact.

Union prestige was unshaken, for the wage gains made in the organizing period had not been lost in the recession. Every union leader had rallied to the cause and decried any cut in wages as impossible. The amount of unemployment caused by union wage policy could not be ascertained, and it may not have been as important as other factors but the cost to be reckoned for the union was not unemployment but rather loss of prestige through wage reduction. How large a part the backing of the government played in their "success" is difficult to determine, but what the results might have been in the face of a hostile rather than a friendly government atmosphere make an interesting conjecture.

Chapter V

THE ADMINISTRATIVE PERIOD

With the beginning of recovery in late 1938, the C. I. O. entered a new phase in the history of its wage policy. The term, "administrative period", is used here to designate this interval. The period began with recovery and ended with the outbreak of the Second World War.

This term, "administrative period", was often used by union leaders themselves to designate union functions in the period of maturity after the initial growth. The union leaders felt that the initial problem was to secure employer recognition and establish the union upon a secure foundation.

Once the union felt secure, however, the scope of their activity could enlarge and collective bargaining would take place on a broader level with the union and the employer meeting as partners in industry to discuss their problems over the bargaining table.

Union growth continued during this period. It was not until 1941 that the C. I. O. was able to unionize "Little Steel", Ford, and the last of the major rubber firms. Membership figures of established areas also increased. The United Automobile Workers invaded the aircraft industries, which were stimulated into tremendous expansion first by the defense boom, and later by the war itself. Here they were able to organize the workers.

The C. I. O., however, offered a new and broadened concept of wage policy easily distinguishable from its organizing wage policy. It did continue to use its organizing techniques, but the new phase extended the meaning and area of wages beyond the traditional union concept of hours and working conditions.

Wage differentials presented a plant and a geographical problem. A wide variety of rates existed in the mass production industries due to the tremendous advances made in production techniques. The rates were often based on precedent rather than the worker's contribution. As Golden and Rittenberg state, "Narrowing the spread between high and low rates in the steel industry is essential to the development of a wage structure that will be most conducive to industrial peace.

But the eventual solution of this problem requires industry-wide action, because advancing technology--the power age attaining maturity--is making the entire concept of the basis for wage payments obsolete. Industry's wage system has been predicated upon the muscular contribution of workers in several classifications of work, while increasingly during the last two decades this source of productive power has been losing its dominant role in the conversion of America's raw materials into finished goods."¹

Geographical wage differentials created the problem of non-union competition. As long as non-union areas existed

¹Clinton S. Golden and Harold J. Rittenberg, "Dynamics of Industrial Democracy", p. 304.

within the industries the existence of the unions was threatened.² Unions in Akron had seen the problem create bitter controversy when management threatened to move to non-union areas in order to secure low wage rates. The automobile industry also had problems of geographical wage differentials to be solved.

The solution to the problem was twofold. First a reclassification of plant wage rates was written into new contracts and secondly the area of collective bargaining was extended to include more of the industry. This movement stimulated the development of the industry-wide bargaining technique. This became a goal for which the C. I. O. worked, since dealing with a whole industry would permit elimination of non-union competition and establishment of new rates and job classifications for all the industry rather than for segments of it.

New steel, rubber, and automobile contracts included provisions for reclassification and simplification of the plant job structure. This procedure was often encouraged by management which was hampered by an unwieldy rate-structure. The unions' greatest difficulty was in raising the floor of the wage level in order to benefit the great mass of unskilled workers without raising the wages of the skilled groups. These skilled groups were determined to maintain their relative position. This problem was most acute in steel where the

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See Chapter III, page 21.

greatest technological changes had occurred and hence the most outmoded wage structure existed.

Technological innovation presented a further problem of unemployment. The union attacked this problem directly through its wage policy. Professor Slichter indicates that the unions react to technological change by three principal policies:³

- (1) policy of obstruction,
- (2) policy of competition,
- (3) policy of control.

Wage policy is an important element in each of these. Excessively high wage rates may be an instrument of obstruction, lower wage rates may be an instrument of competition, and adjusted rates may be an instrument of control. Shorter working-hours were advocated by unions as a method of offsetting the labor saved by the installation of a technological improvement.

There was little evidence that the union considered the potential long-run effect of technological changes. No mention was made of an increased demand due to a lower price. The immediate concern was a short-run consideration. Avoiding unemployment was of paramount importance to the union.

The C. I. O. continued to broaden its wage policy. Traditionally unionism had concerned itself with wages, hours, and working conditions. Wage policy had been interpreted rather narrowly and the management had been left to exercise its other functions.

³Sumner H. Slichter, Union Policies and Industrial Management, Chapters VII, VIII, IX.

The first of these is the fact that the system is not a simple one, but a complex one, and that the results are not always the same.

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With the inclusion in new contracts of seniority provisions lay-off and rehiring plans, and grievance adjustment plans, the management found that it was no longer free to hire or fire employees freely. It was forced to consult the union on hiring, rescheduling of work, promotions, discharges, transfers, and job and shift assignments.

Golden and Ruttenberg⁴ called this development the evolution of "industrial democracy" in which workers and management share the duties and the rewards of the productive process. Hill and Hook⁵ called it the union invasion of management functions.

The union motive for this broadening of wage policy was not only a desire for higher wages but was also a desire for security and strength. The union worker desired a satisfactory and steady wage. This made it imperative that the union attempt to gain a maximum amount of control over the industry that had in the past left him jobless.

"Fringe wage" provisions were included in many union contracts. They included various provisions for obtaining pay increases by indirect means. Some of these provisions were:

- (1) paid holidays
- (2) vacations with pay
- (3) compensation for reporting on days when no work was available

⁴Golden & Ruttenburg, op. cit.

⁵Lee H. Hill and Charles R. Hook, Management at the Bargaining Table, p. 136.

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(4) increased overtime rates.

On January 19, 1939, the President of the General Motors Council of the United Automobile Workers recommended that an annual income guarantee and a 30 hour week at the present wage level be written into a new General Motors contract. This was concrete evidence of a new concept of wage policy. The U. A. W. pointed out the inadequacy of the annual wage in the automotive industry and stated that General Motors and the automobile manufacturers could afford to pay a guaranteed annual wage better than any other industry in the United States. The General Motors Council said, "We are not against technological improvements.....but we do insist on sharing the gains of such progress. Improved machinery should not merely mean greater profits for corporations. It should also mean greater income for labor and more leisure--not the leisure of unemployment but the leisure of a 30 hour week and wages adequate enough to make the leisure a blessing rather than a curse."⁶

On March 6, the C. I. O. News noted that contracts negotiated in steel within the last few weeks included wage increases, shorter hours, and strengthening of seniority clauses.⁷ An S. W. O. C. contract negotiated with Continental Steel Corporation a month later won union recognition, permitted dues stewards to collect dues on company time, and shifted paydays

⁶The C.I.O. News, January 19, 1939

⁷The C.I.O. News, March 4, 1939.

to every other Friday instead of twice a month.⁸ These are small but important evidences of the increasing scope of wage policy.

Harold J. Ruttenberg, Research Director of the C. I. O., attacked the technological unemployment caused by the new automatic strip mills in an article entitled "The Big Morgue". He claimed strip mills had caused 85,000 men to be displaced and concluded that all developments indicate to the union the inevitability of the 30 hour week at existing, or more likely, higher wages. He explained that only through the common action of labor, industry, and government that such problems could be solved.⁹

In May the new executive board of the United Automobile Workers, C. I. O., ordered an intensive organizing campaign in the nation's important and rapidly growing aircraft industry. President Thomas launched the drive with the traditional wage policy approach, "Although work in aircraft plants is in a great many cases similar to that in automobile plants, aircraft wages are in most cases 50 per cent below the wage rates in organized automobile plants. This situation has no justification."¹⁰

The scope of wage policy was being broadened also in the

⁸The C. I. O. News, April 10, 1939.

⁹Ibid.

¹⁰The C. I. O. News, May 1, 1939.

rubber industry. The new contract with the B. F. Goodrich Company included maintenance of present wage rates, a new provision that 3 days notice or 15 hours pay be given before lay-offs, paid vacations, and a flexible working schedule with a 6 hour day, a 36 hour week and an 1800 hour yearly total maximum. The new Firestone contract stated that no lay-offs could occur until the hours had been reduced to 24 a week for eight consecutive weeks.¹¹

The Allis-Chalmers contract included a union bargaining committee with full rights of investigation in case of complaints. This committee was empowered to act in an advisory capacity to management, was paid full time, and was given unrestricted entrance to the shop.¹² This was definitely an encroachment upon what had long been considered the rights of management and placed the union directly in an advisory capacity by contractual agreement.

The strike at Chrysler on October 13, 1939, concerned contract provisions regarding the rights of union and management. A strike notice was filed with the state board. The union demanded a voice in the fixing of production schedules, asked for higher wages, and wanted adjustment of certain working conditions and hours.¹³

¹¹The C.I.O. News, May 13, 1939.

¹²The C.I.O. News, June 12, 1939.

¹³The C.I.O. News, June 21, 1939

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The company resisted the attempts of the union to be allowed a voice in determining production schedules and asserted that the grievances mentioned by the union were non-existent. When a solution of the differences failed to materialize a strike was called.¹⁴

After more than a month of deadlock the C. I. O. abandoned its demands for a voice in management and centered its attack on the Chrysler wage rates. President Thomas of the C. I. O. - I. A. W. criticized Chrysler's wage rates by stating, "The subsistence wage for a family of four in Detroit is \$1,423 according to government figures. Chrysler production workers do not earn anything near that amount. The average hourly wage in June of this year was 93 cents. Given 40 weeks of work a year, at 32 hours a week, Chrysler workers earn \$1,190 a year.

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The issue, as we see it, has boiled down to this: more profits for the stockholders and coupon clippers, or better wages for the men and women who work in the plants. That issue alone stands between us and the resumption of operations."¹⁵ The Chrysler strike was finally settled in early December and the new contract included the following provisions:¹⁶

1. Blanket pay increases

¹⁴New York Times, October 13, 1939, 1:4.

¹⁵The C.I.O. News, November 27, 1939.

¹⁶The C.I.O. News, December 4, 1939.

2. Narrowing of wage differentials between Detroit plants by 1 cent

3. Bonus payments to second and third shift workers

4. Overtime pay provisions written into the contract.

During this period two distinct trends can be noted in the speeches of C. I. O. leaders. The first was the increasing publicity given to the development of the theme of labor's equal partnership with industry. Philip Murray testifying before the House Labor Committee said, "Steel workers are now more than employees. They are citizens of the steel industry. They have just as strong an interest in its welfare as management. And through the S. W. O. C. they are taking part in its development and improvement."¹⁷ Again in a Labor Day message Mr. Murray cited that as a result of their own power, the nation's workers were enjoying a measure of economic security and freedom never before realized. Not only were they enjoying industrial democracy but wage standards had been raised, hours of work reduced, and working conditions improved.¹⁸ This theme was repeated by Clinton Golden in December. "If employers take an intelligent liberal approach to the problems of their workers they will find organized labor willing to cooperate in meeting production problems.

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¹⁷The C.I.O. News, July 24, 1939.

¹⁸The C.I.O. News, September 2, 1940

The depression, Golden added "has shattered the management infallability myth, and it is time labor was consulted on the mental, as well as the physical aspects of the productive process."¹⁹

The second development was an increasing use of statistical backing in the form of claims for wage increase with specific references to the high profits and a rising price level. This general tendency, although not a new concept, will be found to be used increasingly by the C. I. O. throughout the remaining time considered. At the Second Constitutional Convention, President John L. Lewis made the following report, "From May 1938 to May 1939 the index of industrial production rose 17 points while the index of employees income advances less than 4 points.

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For the first time in our economic history, it has become possible for the major part of American Industry to operate with full satisfaction while a quarter of the working population is unemployed.....It is now no longer worth their while to seek a program to re-employ these workers."²⁰ Later addressing the same convention Mr. Lewis said, "The real wages of American workers must not be allowed to suffer from rising living costs, and every effort must be made to stop profiteering and to adjust wage levels to rising prices."²¹ In September, Mr. Lewis

¹⁹The C.I.O. News, December 16, 1940.

²⁰The C.I.O. News, October 16, 1939.

²¹Ibid

speaking on a National Broadcasting Company program said, "A defense program administered solely by profit and millionaires will be a failure.

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Labor demands adequate representation upon the policy making agencies of government. Labor demands adequate representation and not on the basis that now exists of one lonely representative of labor to 100 millionaires."²²

It is interesting to note, however, that although union alarms were sounded concerning rising price levels the C.I.O. adopted a resolution that condemned as "pernicious" efforts to tie wages directly to the cost of living.²³

New contracts signed continued to extend the use of "fringe wage" agreements and agreements controlling in part management's rights. The Baldwin Locomotive Union contract negotiated in the latter part of 1939 included: overtime pay, a Monday-to-Friday no-staggered week, and a newly incorporated vacation which the C.I.O. estimated would add \$50,000 to the employees' income.²⁴

The C.I.O. publicized widely a new provision of a S.W.O.C. contract with the Jensen Creamery Machinery Company. It reported, "The agreement is novel from many angles.....

²²The C.I.O. News, September 9, 1940.

²³The C.I.O. News, October 23, 1940.

²⁴The C.I.O. News, October 30, 1939.

Several weeks ago the agreement was signed by both parties when the company agreed to eliminate all bonus and time study systems and grant a general wage increase instead."²⁵

The new General Motors pact in 1940 gave the C.I.O.-U.A.W.:

1. A \$7,000,000 "C.I.O. Dividend" in the form of 40-hour pay bonuses to all employees with 10 months seniority.

2. A \$5,000,000 wage increase to iron out unfair wage differentials throughout the giant company's many plants.

3. Appointment of a permanent impartial umpire, paid jointly by the company and the union, who will have final authority on the settlement of all grievances which come under his jurisdiction.²⁶

The General Tire and Rubber Company ended an eleven week strike with the U.R.W.-C.I.O. by signing a contract including liberal concessions in paid vacations, and protection of wages and grievance procedures.²⁷

It is interesting to note the provisions included in a contract signed by a Cleveland Steel Union which was hailed by the C.I.O. as a "Model Pact". This gives evidence of the goals of C.I.O. The provisions were:²⁸

1. Union Shop
2. Check Off

²⁵The C.I.O. News, January 8, 1940.

²⁶The C.I.O. News, June 24, 1940.

²⁷The C.I.O. News, July 8, 1940.

²⁸The C.I.O. News, October 21, 1940.

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3. Straight time seniority

4. A two hour pay provision if an employee reported and there was no work

5. Employee compensation for all lost time beyond the workers control

6. Reclassification of all jobs

7. Protection of seniority during military service.

The problem of technological employment was brought into the foreground at the S.W.O.C.'s Second Wage and Policy Convention in Chicago. At this Convention 46 resolutions were passed calling for the 6 hour day, the 30 hour week, and the \$6 daily wage. It was felt that unless steps were taken to evolve a broad national program designed to solve the problem of technological unemployment, the Steel Worker's Organizing Committee would feel compelled to demand the institution of the thirty-hour week in the steel industry. ²⁹ ³⁰

In November of 1940, Mr. Lewis addressed C.I.O. convention and said, "The C.I.O. therefore has every reason to push more vigorously than ever for the adoption of its program for a more lasting solution of unemployment insecurity, and the other

²⁹The C.I.O. News, May 27, 1940.

³⁰An unsuccessful but interesting case of an attempt to prevent technological unemployment centered in management's proposal to eliminate running boards and with them thousands of jobs. A plea by Local 65, United Automobile Workers of America was entitled, "Ask For a Running Board on That New Car."^a

^aThe C.I.O. News, February 26, 1940.

economic ills that beset us. This program calls for a progressive raising of real wages and purchasing power for absorption of all the unemployed through reduced working hours and expanded production, and for legislation to insure security and opportunity for young and old people, the unemployed and the needy who are not otherwise provided for."³¹

At the end of 1941 wage, hour, and employment statistics were:

	Average Hours ³² per Week Full Time Employees	Average Hourly ³³ Earnings Full Time Employees#	Total ³⁴ Employment (Thousands)
Automobile	39.0	\$1.086	570
Iron and Steel	38.6	\$.957	1,130
Rubber	38.5	\$.927	156

#Note: Hourly earnings are not wage rates because they include overtime and other monetary compensation.

Between 1938 and 1941 the following changes occurred. Average hours per week rose 6.7 in automobile, 11.0 in steel and 8.2 in rubber. Average hourly earnings rose 13.3 cents in automobile, 12.7 cents in steel, and 8.6 cents in rubber. Employment increased 87 per cent in automobile, 48 per cent in steel, and 54 per cent in rubber.

³¹The C.I.O. News, November 18, 1940

³²The Management Almanac, 1946, National Industrial Conference Board, 1946, pp 84-85.

³³Ibid., pp 80-81.

³⁴United States Department of Commerce, Bureau of Labor Statistics.

In 1941 the defense boom was in full swing. War conditions prevailed in industry even though declared war had not begun. Employment was at high levels, prices and wages were rising, and the hours worker were increasing.

A letter sent to Curtis-Wright by Clinton S. Golden in June, 1941, stated in part, "Mismanagement is rampant and inexcusable. Out of a sense of decency to your subordinates, I shall not record any except those practices of mismanagement that vitally impinge upon the question of wages. The bungling of this matter naturally has effected production adversely."³⁵ The suggestion made to solve this difficulty was one to be frequently advocated during the war, a joint union-management production committee.

³⁵The C.I.O. News, May 19, 1941.

Chapter VI

THE WAR PERIOD

Wage policy in this period was adapted to function under unusual conditions. Shortly after the outbreak of war the C. I. O. agreed to participate in a voluntary plan to avert strikes. This plan provided:

- (1) There shall be no strikes or lockouts.
- (2) All disputes shall be settled by peaceful means.
- (3) The President shall set up a proper War Labor Board to avert working strikes.¹

On January 12, 1942, by means of Executive Order No. 9017, the President created the National War Labor Board.² to carry out the provisions of the plan.³ This marked the end of free collective bargaining in its fullest sense for the duration of the war. Hereafter a third party, the National War Labor Board, played an important role in wage determination. The Board, in effect, had jurisdiction over all labor disputes affecting war production.

The C. I. O. reacted favorably to the plan but stressed

¹The C.I.O. News, December 29, 1941.

²This board was composed of twelve members (four public, four labor, and four management) and had the authority to approve all wage increases where the total annual remuneration was below \$5,000.

³Harold W. Metz, Labor Policy of the Federal Government, p. 21.

that wages must be stabilized, and not frozen. President Murray in a letter to C. I. O. affiliates notifying them of the National War Labor Board said, "In order that labors' rights may not be infringed upon, however, we have opposed regressive anti-strike legislation and have insisted that the most effective way to prevent shortages is through voluntary agreement on procedures for the peaceful adjustment of all disputes."⁴

The general purpose of union wage policy was expressed by the C. I. O. resolutions on wages passed by a special meeting of the C. I. O. Executive Board.⁵

"WHEREAS, (1) the most effective prosecution of the war demands that the living standards of the workers be maintained and constantly improved and growth of labor unions be guaranteed; and

(2) The living standards of the workers of the nation are being seriously threatened as a result of the spiraling of the cost of living and the increased taxes upon the low income groups; and

(3) Financial reports for 1941 show a tremendous increase in profits for employer, after taxes, as compared to 1939, in such basic industries as steel, shipbuilding and electrical, and machinery manufacturing, with even greater profits to be anticipated in 1942 due to vastly increased

⁴The C.I.O. News, January 19, 1942.

⁵The C.I.O. News, January 12, 1942.

production. These returns clearly permit employers to pay wage increases without involving corresponding price increases; and

(4) The burdens and sacrifices inherent in our war effort must be borne equitably by all groups and segments in our national life.

NOW, THEREFORE, BE IT RESOLVED THAT:

(a) The Executive Board recommends to its affiliated unions that there be incorporated among the demands in current or anticipated collective bargaining wage conferences one for a substantial wage increase and union security; and

(b) The fulfillment of this policy will assure workers that their unions are guaranteed the right to live free from attacks and they will receive a fair share of the national income, which conviction will unleash the unmeasured energy of the workers for maximum war production."

The C. I. O. was quick to formulate a wage policy based on these resolutions. Two approaches were used in demanding higher wages. The first was a direct demand for an increased wage on the basis of rising living cost. This procedure was to utilize extensively statistical support for its arguments before the end of the war period. The second approach consisted of obtaining wage increases by the use of "fringe wage" demands, demands for concessions to iron out inequities existing in the industry, or attempts to obtain higher wages by changes

in job classifications.⁶ The Executive Board of the C. I. O. outlined four major principles on which a wage increase would be granted:

- (1) To compensate for changes in the cost of living.
- (2) To correct inequities and inequalities.
- (3) To correct substandard wages.
- (4) To aid in the prosecution of the war.⁷

On January 26, 1942, the C. I. O. asked "Little Steel"⁸ for a dollar-a-day wage increase, union recognition, and the check off of union dues.⁹ The demands were referred to the National War Labor Board. In February the C. I. O. demanded a dollar-a-day wage increase from General Motors.¹⁰ This case was also presented to the Board.

On April 20, Philip Murray stated "There has been no wage increase in any basic industry" and, "the C. I. O. is unalterably opposed to wage freezing as absolutely unnecessary and profoundly dangerous."¹¹

⁶Metz, op. cit. p. 194, points out that since the Board generally granted wage increases of a fixed number of cents per hour to all employees this action tended to reduce the differential between high and low-wage employees.

⁷Metz, op. cit., pp. 187-194.

⁸"Little Steel" refers to plants other than those owned or controlled by United States Steel.

⁹The C.I.O. News, January 26, 1942.

¹⁰The C.I.O. News, February 9, 1942.

¹¹The C.I.O. News, April 20, 1942.

On July 17 the National War Labor Board handed down the decision in the "Little Steel" case that established the "Little Steel" formula. This formula was to be the basis of cost of living wage increases for the war period. The Board refused the dollar-a-day increase to "Little Steel" but granted them flat 5½ cent hourly increases. This amounted to a 15 per cent increase in wages since January 1, 1941. The Board said that all workers were entitled to this increase and if the employers did not grant it voluntarily the Board would order it.¹² The justification was the rise in the cost of living. Specifically in the "Little Steel" case the Board said:

"For the period from January 1, 1941, to May 1942, which followed a long period of relative stability, the cost of living increased by about 15 per cent. If any group of workers averaged less than a 15 per cent increase in hourly rates during, or immediately preceding or following, this period, their established peacetime standards have been broken. If any group of workers averaged a 15 per cent wage increase or more, their established peacetime standards have been preserved."¹³

Wage policy after the adoption of the "Little Steel" formula became a union effort to exceed the limits imposed

¹²This refers to hourly wages which was the basis used for wage increases rather than earnings. Earnings rose sharply due to longer working hours and overtime payment plans.

¹³Metz, op cit., p. 184, citing the "Little Steel" case.

upon wage levels by the National War Labor Board. The complaints of the C. I. O. increased in strength as the war progressed but the "Little Steel" formula was not broken.

In August, 1942, the U. A. W. set forth the following wage goals at their annual convention:¹⁴

(1) To raise substandard wages.

(2) To eliminate wage inequalities on a plant, regional and national basis.

These goals indicated that the union had been quick to realize the area in which it must concentrate its wage attack. In September the union obtained from General Motors a 4 cent wage increase, and retention of the 5 cent night bonus. A demand for $3\frac{1}{2}$ cents for equalization purposes was refused.¹⁵

The principles governing wages were again supported by the C. I. O. at their annual convention with the inclusion in their text of resolutions adopted that, "Wages should be stabilized but not frozen.....Wage freezing must be condemned as a blow against the fullest prosecution of our war effort."¹⁶

On January 25, 1943, Walter Reuther indicated that General Motors workers would demand a 5 cent wage increase and that data were being collected "to do a proper over-all job toward stabilizing skilled trade rates, establishment of union standards, apprentice programs, and other matters affecting this type of worker." At the same time Mr. Reuther also advocated a

¹⁴The C.I.O. News, August 17, 1942.

¹⁵The C.I.O. News, September 2, 1942.

¹⁶The C.I.O. News, November 16, 1942.

guaranteed 48-hour week as a war need.¹⁷

By February of 1943 union dissatisfaction with the existing wage controls was pronounced. The C. I. O. Board said that wage stabilization required "allowance for wage adjustments due to the increased cost of living: elimination of inequalities and a dropping of the 'Little Steel' formula as unfair to lower paid workers, equal pay for women for equal work, encouragement of incentive pay systems, and upward job classification."¹⁸

In March President Murray suggested that the wage deadlock be broken but that the National War Labor Board be saved.¹⁹ Again in May Mr. Murray stated that economic stabilization was a complete failure and the government should "roll back prices to September 15, 1942, or make the necessary adjustments to meet the increased cost of living."²⁰

At the 1943 Convention of the C. I. O. President Murray summarized labor's attitude toward wage controls saying of the workers, "They need wage adjustments, they need to be free from the shackles of the present national wage stabilization policy of the government of the United States, they want to enjoy a little more collective bargaining than they now enjoy, they want to enjoy the right to adjust inequities and inequalities and

¹⁷The C.I.O. News, January 25, 1943.

¹⁸The C.I.O. News, February 8, 1943.

¹⁹The C.I.O. News, March 27, 1943.

²⁰The C.I.O. News, May 3, 1943.

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their grievances in a regular fashion as set forth in their collective bargaining agreements without interference."²¹

In February the C. I. O. was strenuously opposed to the use of data from the Bureau of Labor Statistics as the source for the index upon the cost-of-living.²² The C. I. O. conducted a joint study of the cost-of-living in conjunction with the A. F. of L. and concluded the Bureau of Labor's index was too low. The results indicated these differences:²³

	RISE IN COST OF LIVING	
	(Per cent)	
	<u>Bureau of Labor Statistics</u>	<u>C.I.O.-A.F.of L. Survey</u>
Food	40.2	74.2
Clothing	33.7	72.2
Rent	3.0	15.0
House Furnishings	27.8	62.0
All Commodities	23.4	43.5

The reasons stated for this discrepancy were:

(a) Failure on the part of the Bureau of Labor Statistics to consider quality deterioration.

(b) Inadequate selection of items.

(c) Failure to recognize changes in expenditures due to war-time conditions.

²¹The C.I.O. News, November 8, 1943.

²²The United Steel Workers also made extensive studies of the cost of living in Braddock, Pennsylvania in 1943.

²³The C.I.O. News, February 7, 1944.

The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1801. The letter is signed by James Madison and is addressed to the Senate and House of Representatives. The letter discusses the state of the Union and the progress of the government since the inauguration of the President.

Item	Value	Total
1st	100	100
2nd	200	300
3rd	300	600
4th	400	1000
5th	500	1500

The second part of the document is a report from the Secretary of the Treasury, dated January 1, 1801. The report is signed by Alexander Hamilton and is addressed to the Senate and House of Representatives. The report discusses the state of the Treasury and the progress of the government since the inauguration of the President.

(d) Over ceiling prices.

On March 27, the C. I. O. pointing out that the cost of living was still rising, presented demands for wage increases. Again steel was chosen and a twenty-four point program was presented. Included in the program were demands for a 17 cent hourly wage increase and a guaranteed annual wage.²⁴ The case went to the Board and employers and union leaders were called to testify.

President Murray testified that the steel workers were going into debt at the present wage level. The average weekly expenditure of the steel worker was claimed to be \$58.57, while his weekly earnings averaged \$56.04.²⁵

The case was not settled during the summer and in November, President Murray charged that the N. W. L. B. had shirked its duty in allowing the union six days of testimony and employers nine months and twenty-four days.²⁶ Soon after, the Board settled the case. The wage boost was refused and the "Little Steel" formula was retained. A 4 and 5 cent shift differential was allowed to the second and third shifts respectively, 5 cents an hour was granted to remove wage inequities, a week's vacation was allowed for each year's employment up to 5 years with a 5-week maximum, and provisions for severance pay were to be negotiated.²⁷

²⁴The C.I.O. News, March 27, 1944.

²⁵The C.I.C. News, March 27, 1944.

²⁶The C.I.O. News, November 20, 1944.

²⁷The C.I.O. News, November 27, 1944.

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This was the last major attempt to break the "Little Steel" wage formula. Sniping at its provisions continued, and on February 5, 1945, the C. I. O. News carried an article by Harold J. Rutenberg, Research Director of the United Steel Workers of America, criticizing the cost of living index. It was headlined, "Cost of Living Ain't the Same But B.L.S. Won't Change Its Name".²⁸ Later in February President Murray said, "The bread and butter needs of American workers were flatly ignored by public members of the N. W. L. B. in a report by them which said that wage rates have more than kept pace with rising prices and that no revision of the Little Steel formula is necessary."²⁸ The attacks were ineffective, however, and the formula was unchanged.

Statistically the war period shows interesting developments. At the end of 1944 wage, hour, and employment statistics were:

	Average Hours ²⁹ per Week Full Time Employees	Average Hourly ³⁰ Earnings Full Time Employees [#]	Total ³¹ Employment (Thousands)
Automobile	45.1	\$ 1.312	708
Iron and Steel	46.7	\$ 1.183	1,677
Rubber	46.6	\$ 1.208	196

[#]Note: Hourly earnings are not wage rates, because they include overtime and other monetary compensation.

²⁸The C.I.O. News, February 5, 1945.

²⁹The Management Almanac, 1946, National Industrial Conference Board, 1946, pp. 84-85.

³⁰Ibid., pp. 80-81.

³¹United States Department of Commerce, Bureau of Labor Statistics.

The first part of the paper discusses the general theory of the subject, and the second part discusses the particular case of the subject. The first part is divided into two sections, the first of which discusses the general theory of the subject, and the second of which discusses the particular case of the subject. The second part is divided into two sections, the first of which discusses the general theory of the subject, and the second of which discusses the particular case of the subject.

Table 1		Table 2	
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

The third part of the paper discusses the general theory of the subject, and the fourth part discusses the particular case of the subject. The third part is divided into two sections, the first of which discusses the general theory of the subject, and the second of which discusses the particular case of the subject. The fourth part is divided into two sections, the first of which discusses the general theory of the subject, and the second of which discusses the particular case of the subject.

Between 1941 and 1944 the following changes occurred. Average hours per week rose 6.1 in automobile, 8.1 in steel, and 8.1 in rubber. Average hourly earnings rose 22.6 cents in automobile, 22.6 cents in steel, and 27.8 cents in rubber. Employment increased 24 per cent in automobile, 48 per cent in steel, and 26 per cent in rubber.

These figures indicate that wages were stabilized, not frozen, and the workers in basic industries received a considerable increase in money wages over the period.

CHAPTER VII

CONCLUSION

C. I. O. wage policy increasingly has been used as a tool to exercise greater control over industry. The desired end is ambiguous and ill-defined, stemming from a dual desire for increased earnings and greater security on the part of wage earners. The most tangible expression of this goal is the concept of "industrial democracy", in which the forces of labor and capital are supposed to operate together for the benefit of the workers and the capitalist.

Unionism is an element characteristic of the capitalistic system. The concentration of power and wealth in the hands of capitalists, a concentration essential to modern capitalistic enterprise, gave rise to the labor union as a means of protecting the workers rights through collective effort. As long as the demands of labor unions could be answered in the normal operation of the present system there was little reason for change. However, once the system was unable to solve satisfactorily the problems of technological unemployment, cyclical unemployment, and a satisfactory annual wage for the worker, unions demanded these problems be solved even by modifications of the system itself. This tendency toward modification was not a long-run, planned movement but a gradual encroachment upon management functions. New contracts imposed additional restrictions and restraints upon employers and gave a greater amount of control to unions. The guaranteed annual wage and

industrywide collective bargaining were natural evolutionary developments in this process. By the very nature of the purposes of unionism, the continuing demand on the part of unions for higher wages can easily be understood. While the union can perhaps justify its existence on the basis of the workers' desire for social and psychological satisfaction, it would be hard to visualize a successful union that could long operate without showing concrete benefits to its members in the form of increased wages.

Some problems immediately suggest themselves if the broadening of the wage policy concept is continued. As the unions persevere in the enlargement of the scope of their activities to include such functions as planning of production schedules, regulation of output, and dictation of the hiring and discharging terms, the unions must also begin to share the responsibility of management for the operation of the industrial system. They become a part of management. They must not only level their attacks upon management, but they must also attack themselves for failure. Can the union do this and survive? Are unions better able to fulfill the obligations of management than management itself? A negative answer on the part of unions to those questions would provide a check upon their program. A positive answer might evolve a truly important modification of our economic system.

In the short-run, wage policy is a very flexible device.

It is an excellent organizing aid, it becomes a policy of "hold-the line" in depression, and in all cases it aims to provide the union member with a greater share of the goods and services that our economic machinery is able to produce. Perhaps its constancy is at times reminiscent of Suckling's constant lover who declared,

"Out upon it, I have loved
Three whole days together;
And am like to love three more,
If it prove fair weather."

The first of these is the fact that the
economy is in a state of depression.

There is a general feeling of pessimism
among the people, and the government
is doing nothing to improve the situation.

The second of these is the fact that
the government is doing nothing to
improve the situation.

THESIS ABSTRACT¹

The Congress of Industrial Organizations was founded in 1936 to organize the mass-production industries along industrial lines. In the initial organizing period wage policy was an organizing aid. The unions promised the workers higher wages as a reward for unionization. Employers attempted to forestall unionism by voluntarily granting their employees wage increases. The same tool, wage policy, was used by both union and management but for opposite ends. Organization was rapid and successful, however, in spite of strong employer opposition. Average hourly earnings, average hours worked per week, and total employment rose steadily.

In 1937-1938 a business recession threatened to wipe out union gains. Falling prices and unemployment brought insistent demands from management for wage reductions. C. I. O. wage policy changed from an aggressive policy aimed at obtaining higher wages to a defensive policy of "hold-the-line" in order to maintain existing wages. The policy was supported by a purchasing-power theory of wages. The unions did not consider the effects of a rigid wage structure on the price level and the volume of unemployment.

President Roosevelt supported the stand of the C. I. O. and stated that any reductions in cost should not be effected by

¹The study covers C. I. O. wage policy in the automobile, rubber, and steel industries.

CHAPTER 10

The following are the results of the experiments conducted on the effect of temperature on the rate of reaction between hydrogen peroxide and potassium iodide. The reaction is exothermic and the rate of reaction increases with increasing temperature. The results are shown in the table below.

Temperature (°C)	Time taken for reaction to complete (s)
20	120
30	80
40	60
50	45
60	35

From the table, it can be seen that the rate of reaction increases as the temperature increases. This is because the molecules have more kinetic energy and are therefore more likely to collide with sufficient energy to overcome the activation energy barrier. The rate of reaction is also affected by the concentration of the reactants. In this experiment, the concentration of hydrogen peroxide was kept constant, while the concentration of potassium iodide was varied. The results show that the rate of reaction increases with increasing concentration of potassium iodide.

The following are the results of the experiments conducted on the effect of concentration on the rate of reaction between hydrogen peroxide and potassium iodide. The reaction is exothermic and the rate of reaction increases with increasing concentration of potassium iodide. The results are shown in the table below.

From the table, it can be seen that the rate of reaction increases as the concentration of potassium iodide increases. This is because there are more particles available to collide with sufficient energy to overcome the activation energy barrier. The rate of reaction is also affected by the concentration of hydrogen peroxide. In this experiment, the concentration of potassium iodide was kept constant, while the concentration of hydrogen peroxide was varied. The results show that the rate of reaction increases with increasing concentration of hydrogen peroxide.

a reduction in wages. Average hourly earnings were maintained but the average hours worked per week fell and the volume of unemployment increased.

Union organization was resumed with the recovery in 1938 and by the outbreak of World War II the steel, rubber, and automobile industries were largely organized. Average hourly earnings, average hours worked per week, and total employment rose. Two distinct wage policy developments occurred.

First, the area of wage policy was broadened to include fields that management had hitherto considered as sacred to themselves. This was accomplished by demanding mutual consent clauses, joint committees, unlimited arbitration in grievance procedure, union controlled working hours, seniority provisions, industry-wide bargaining and a guaranteed annual wage.

Closely allied with this development were union "fringe wage" demands. These were indirect demands for wage increases. They included vacations with pay, paid holidays, and overtime or shift differential payments.

Secondly, a new slogan, "industrial democracy", was used to describe a system in which labor and management became partners in industry. This concept conceived the union not only as an instrument to promote the worker's economic welfare but also one to satisfy his social and psychological desires.

Soon after the out-break of World War II labor signed a voluntary no-strike pledge. The National War Labor Board was

created with four representatives from management, four from labor, and four from the public. Wages were stabilized, not frozen. Wage increases were granted to compensate for changes in the cost of living, to correct sub-standard wages, to correct inequities and inequalities, and to aid in the prosecution of the war.

The "Little Steel" formula was devised as the standard to govern wage increases. This formula measured changes in the cost of living by the Bureau of Labor Statistics Cost-of-Living Index.

The C. I. O. tried to break the "Little Steel" formula. The point of attack was the cost of living index. The C. I. O. contended that this index no longer measured the true cost of living. The "Little Steel" formula remained, however.

The C. I. O. was more successful in obtaining wage increases through indirect means. Sub-standard wages were raised, inequities and inequalities were removed, and "fringe wage" demands were often granted. Average hourly earnings, average hours worked per week, and total employment all rose.

In the whole period between 1936 and 1945, wage policy proved a very flexible device. In reality there was not one wage policy but many, each designed to promote a desired goal. Geographical wage differentials were attacked by extending the area of unionization, plant wage differentials were narrowed by a program of job reclassification. Wage policy aided organization, held-the-line in depression, and in all cases aimed to

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part outlines the various methods used to collect and analyze data, including surveys, interviews, and focus groups. It also discusses the challenges associated with data collection and analysis.

3. The third part presents the results of the study, showing the trends and patterns in the data. It includes tables and graphs to illustrate the findings.

4. The fourth part discusses the implications of the study for policy and practice. It suggests ways in which the findings can be used to improve the effectiveness of the program.

5. The fifth part concludes the document by summarizing the key points and providing a final statement on the importance of the study.

provide union members with the greatest share obtainable of the goods and services produced.

The broadening of the wage policy area was a potential force that threatened to change the nature of our economic system. If the unions continue to invade the field of management, they may find themselves no longer a trade union in the traditional sense of the word but a new type of organization carrying out management's functions and sharing management's responsibility for the operation of industry.

APPENDIX
AND
BIBLIOGRAPHY

APPENDIX A

Average Hourly Earnings#
In Three Industries
(Dollars)

	Automobiles	Iron and Steel	Rubber
1935	.752	.655	.801
1936	.791	.670	.756
1937	.916	.818	.847
1938	.953	.830	.841
1939	.953	.841	.863
1940	.971	.850	.876
1941	1.086	.957	.927
1942	1.248	1.037	1.010
1943	1.295	1.135	1.125
1944	1.312	1.183	1.208

#Note: Hourly earnings are not wage rates because they include overtime and other monetary compensation.

Source: The Management Almanac, 1946, National Industrial Conference Board, 1946, pp. 80-81.

APPENDIX B

Average Hours Per Week
In Three Industries

	Automobiles	Iron and Steel	Rubber
1935	37.4	34.2	33.1
1936	37.7	39.8	36.6
1937	35.3	36.6	33.3
1938	32.3	27.6	30.3
1939	34.9	34.6	35.5
1940	37.3	36.1	35.4
1941	39.0	38.6	38.5
1942	44.5	39.0	40.9
1943	45.5	43.0	45.5
1944	45.1	46.7	46.6

Source: The Management Almanac, 1946, National Industrial Conference Board, 1946, pp. 84-85.

APPENDIX C

Total Employment In
Three Industries
(Thousands)

	Automobiles	Iron and Steel	Rubber
1935	445	777	115
1936	459	895	121
1937	517	1,021	130
1938	305	762	101
1939	402	991	121
1940	465	1,134	127
1941	570	1,130	156
1942	510	1,992	155
1943	705	1,737	192
1944	708	1,677	196

Source: Data adapted from series published in The Monthly Labor Review, United States Department of Commerce, Bureau of Labor Statistics.

1. Introduction

The purpose of this study is to investigate the effects of the proposed system on the performance of the system. The study is divided into two main parts: a theoretical analysis and an experimental evaluation.

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The experimental evaluation is divided into two main parts: a theoretical analysis and an experimental evaluation.

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Section 1

Page 1

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's history and development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's history and development. It is a must-read for anyone interested in the country's history and development.

The second part of the report deals with the country's economy. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development. It is a must-read for anyone interested in the country's economic development.

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The fifth part of the report deals with the country's foreign relations. It is a very interesting and informative study of the country's foreign relations. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's foreign relations. It is a must-read for anyone interested in the country's foreign relations.

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June 12, 1939
June 28, 1939
October 16, 1939
October 30, 1939
November 27, 1939
December 4, 1939
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May 12, 1941
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The first part of the paper
 deals with the general theory
 of the subject. It is divided
 into two main sections.
 The first section is devoted
 to the study of the
 properties of the
 function $f(x)$. The second
 section is devoted to the
 study of the
 function $g(x)$.

The second part of the paper
 deals with the application
 of the theory to the
 study of the
 function $h(x)$. It is divided
 into two main sections.
 The first section is devoted
 to the study of the
 properties of the
 function $h(x)$. The second
 section is devoted to the
 study of the
 function $k(x)$.

The third part of the paper
 deals with the application
 of the theory to the
 study of the
 function $l(x)$. It is divided
 into two main sections.
 The first section is devoted
 to the study of the
 properties of the
 function $l(x)$. The second
 section is devoted to the
 study of the
 function $m(x)$.

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